BELLSOUTH - LCSC
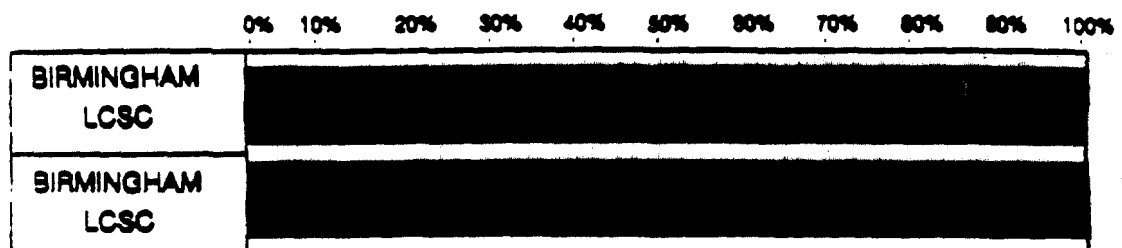## ATLANTA - BIRMINGHAM
SUMMARY OF EMPLOYEE UTILIZATION OF TIME

	WORKING
	NOT IN AREA
	NOT WORKING

	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
BIRMINGHAM LCSC											
BIRMINGHAM LCSC											
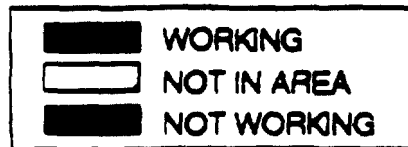
SUMMARY OF EMPLOYEE UTILIZATION TO TIME

	ASSIGNED WORK
	OTHER EMP. WORK
	REWORK
	AVAILABLE

	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
ATLANTA LCSC											
ATLANTA LCSC											
BIRMINGHAM COMPLEX											
BIRMINGHAM LCSC											
BIRMINGHAM LCSC											

SUMMARY

7%
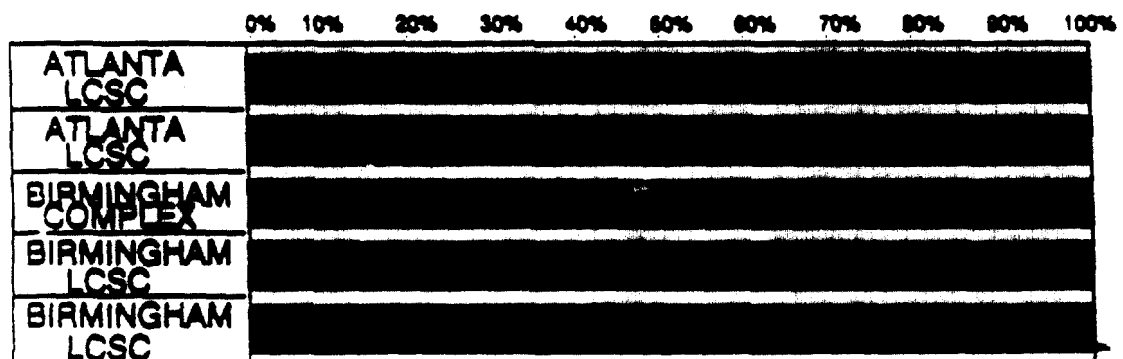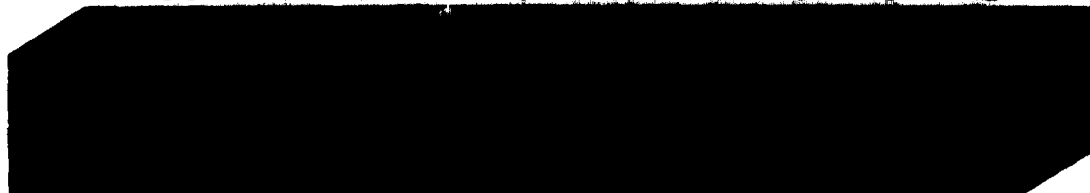
-4   As a result of the lack of clear goals, inconsistent work processes, employee skills deficiencies and a passive management style, our analyses indicate service representatives are either not working or not in their area 39% of the time. Detailed analysis of the work being performed indicates that 7% of the time representatives are doing someone else's work and 27% of the time they are engaged in non value added rework. Our analysis indicates that the amount of time being spent doing work right the first time is only 38 to 48% of the reps' time. Due to various operating, training and quality problems which are not being resolved, your current level of labor utilization is inflating your operating costs, and building excessive lead-times into your order process.

-     Problem solving techniques are not effective in most cases. We observed supervisors waiting until the employees brought problems to their attention. We observed that several times the supervisors either take problem orders upon themselves to resolve or reassign the orders to other workers with the "know how". Supervisors also do not identify and correct the root cause by providing feedback to the representative. This reactionary, non supportive management style contributes to the perpetuation of quality problems and non value added rework.

-     Supervisors very rarely follow up on work in process. This lack of supervisory involvement has left your employees to solve most problems by themselves. In the BellSouth LCSC environment, it is the employee's responsibility to locate their supervisor to get assistance. As a result, persistent problems tend to continue before corrective action is taken, and it often deals only with the symptoms rather than root causes of the problem. Rep's spend from 10% to 15% of their day correcting errors which they had caused without management awareness or assistance.

- Some reps' exhibit poor work habits without management awareness or corrective action. We observed several cases where workers were repeatedly creating rework and delays for other BellSouth operations, but were not confronted by their supervisors, thereby condoning the practice. Supervisors rely on system edits and error reporting to correct the problems rather than confront employees on poor work habits, poor disciplines and skills deficiencies.

- In your LCSC environment, the clarification requests seem to be used as a "fail safe" to catch quality problems and missing input information prior to order processing. We noted situations in which every portability order required clarification due to missing information. 10 to 12% of the rep's day was wasted getting clarification from the customer. Management is not aware of this condition and is not gathering the data necessary to develop a corrective action strategy with the account teams to solve the problems before they hit the LCSC and force lost time into your operation.

- Improperly trained employees are forcing lost time into the operation. 7% of the representatives time is spent doing work for another employee. The single largest cause of this situation is because an employee must ask for assistance or hand off the order to another representative who can resolve the problem.

- We observed situations where non compliance to existing procedures was forcing lost time and rework into the operation. For example, when a representative uses the phone to ask for clarification, and later hands the order to a fellow employee to complete, the second rep does not know what work has been done.

- We observed your representatives wasting their valuable time doing the work which is to be completed by the clerks in the department. Several of the reps will leave their station in order to send faxes, which is supposed to be done by the clerks. Oftentimes when a representative leaves their work station they interrupt the rhythm of their work and stop by fellow employees' workstations to visit.

- The layout of the work areas is not conducive to foster a supportive environment for the service representatives. Your reps are isolated in cubicles which hinders supervisory coaching and support. Those who seek help must leave their work areas thus forcing lost time into the operation. Since you are starting up the LCSC you have a ideal opportunity to create an environment which fosters management support and interaction.
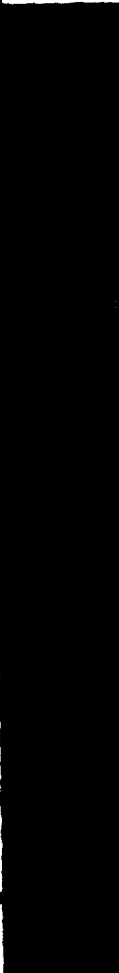
BELLSOUTH
LCSC
TRAINING AND DEVELOPMENT PROCESS

⬛ ELEMENT EXISTS EFFECTIVELY UTILIZED	▨ EXISTS- REQUIRES UPGRADE POOR UTILIZATION	⬛ DOES NOT EXIST IS NOT UTILIZED

SYSTEM ELEMENT	EXIST	DOCUMENT	UTILIZATION
SKILL REQUIREMENTS		CURRENTLY USE WAGE SCALE 23, SERVICE REP's. NOT SURE IF THIS	
SCREENING TESTS		IS RIGHT SKILLS FOR THE LCSC SERVICE REP POSITION.	
TRAINING AGENDAS		THERE ARE SEVERAL TRAINING AGENDA's. HANDOUTS & GUIDES	
PROCESS FLOWS		THERE ARE ORDER FLOWS, NOT DETAILED ENOUGH FOR TRAINING	
COMPREHENSION EVALUATION		EVALUATION IS SUBJECTIVE BY INSTRUCTOR. LESSON TESTS OPT.	
EFFECTIVENESS ASSESSMENT		NO ASSESSMENT AT THIS TIME BUT WILL BE DEVELOPED	
TRAINING STATUS CHARTS		CTRS AVAILABLE, SUPV TRACKS TRAINING RECEIVED MANUALLY	
IND / TEAM PERF TRACKING		DATA AVAILABLE (Errors, Orders Processed) BUT NOT USED TO EVAL	
MONITORING / OBS		OBS/ MONITORS ARE NOT STRUCT EXCEPT PHONE. POOR LAYOUT	
INDIVIDUAL COACHING		COACHING IS NOT STRUCTURED AT THIS TIME.	

SUMMARY OF ELEMENT EXISTENCE

SUMMARY OF ELEMENT UTILIZATION

00279.

5a. We analyzed your structured training process with your staff support, trainers, line management and trainees. We determined that your current training process is less than effective. While most of the basic elements of the process are present, significant upgrades are required to make them effective. Of the elements which are available, few are being used effectively by your organization.

- 40% of the basic elements exist and required no additional enhancements. For example, the screening process for the identification of candidates is functional and there are well developed agendas and modules to support the training process.

- 50% of the elements exist but will require significant upgrades to become effective. Process flows that define the steps necessary to successfully complete an order are vague and not usable training tools. The evaluation of lesson comprehension is subjective rather than objective. You lack an objective post testing vehicle to evaluate a trainees level of comprehension. 10 modules actually have "lesson learned testing" but they are not being used by your people.

- The only element that does not exist is assessment effectiveness. There is no feedback to trainers relative to the effectiveness of their programs, as a result, weakness cannot be identified and enhanced. We administered a questionnaire to 28 recent trainees to understand their perceptions of the training effectiveness. The results indicated that 77% found the training inadequately prepared them for their task. The lack of supervisory follow up after the formal training was identified as a key concern.

- Although performance data is available, it is not being utilized by supervision to provide information relative to skills sets of the service reps. In addition, monitoring / observing is still in the development stages and has not been implemented. The result is that you cannot provide meaningful feedback and coaching to your employees to further their development.

- Only 10% of the elements are currently being utilized effectively. Another 50% are only marginally used and 40% are not being used at all. There are significant opportunities to improve the ongoing effectiveness of your current training process by installing on the floor training development with supervision through effective coaching. Trainees are somewhat abandoned by BellSouth once they are assigned to their areas.

BELLSOUTH - LCSC

ATLANTA - BIRMINGHAM

EMPLOYEE SKILLS TRAINING

■	QUALIFIED & ABLE TO TRAIN
■	QUALIFIED
▭	MARGINALLY QUALIFIED
■	NOT QUALIFIED

	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
ATLANTA RESID/SINGLE MULTI LINE											
BIRMINGHAM RESID/SINGLE MULTI LINE											
BIRMINGHAM RESID/SINGLE MULTI LINE											
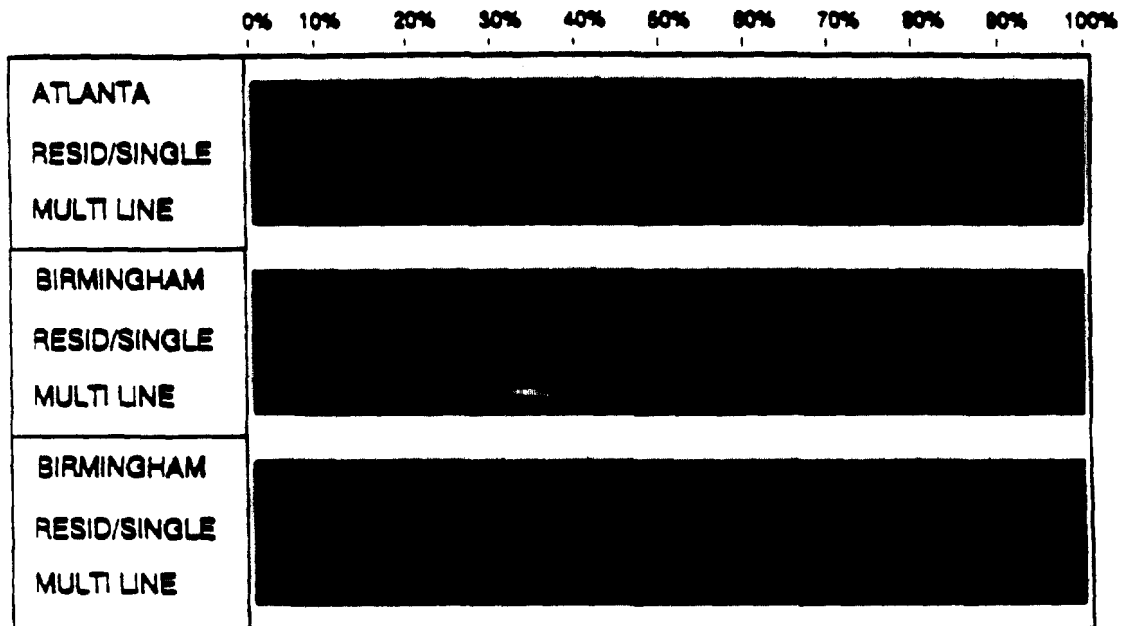
SUMMARY
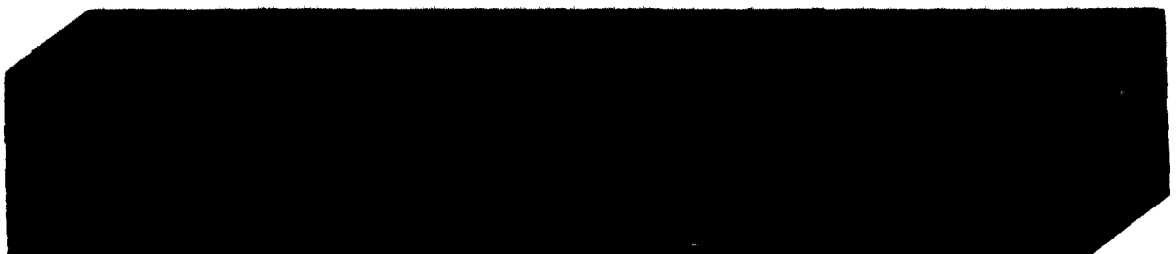
5b. We conducted an evaluation of your employee skills flexibility to identify the training needs of your service representatives. We determined that their are significant training needs within this "experienced" work group. These needs have resulted in limited employee flexibility and the inability to maximize the effective use of your manpower which limits the quality of your order processing.

- Our studies indicate that only 48% of the key jobs have employees who are qualified to perform there functions effectively. This has significant impact on the supervisors' ability to make adjustments for absenteeism and volume mix.

- According to their supervisors, 35% of the jobs have employees who are marginally qualified to perform the tasks. Marginal means they are only able to perform selected functions of a tota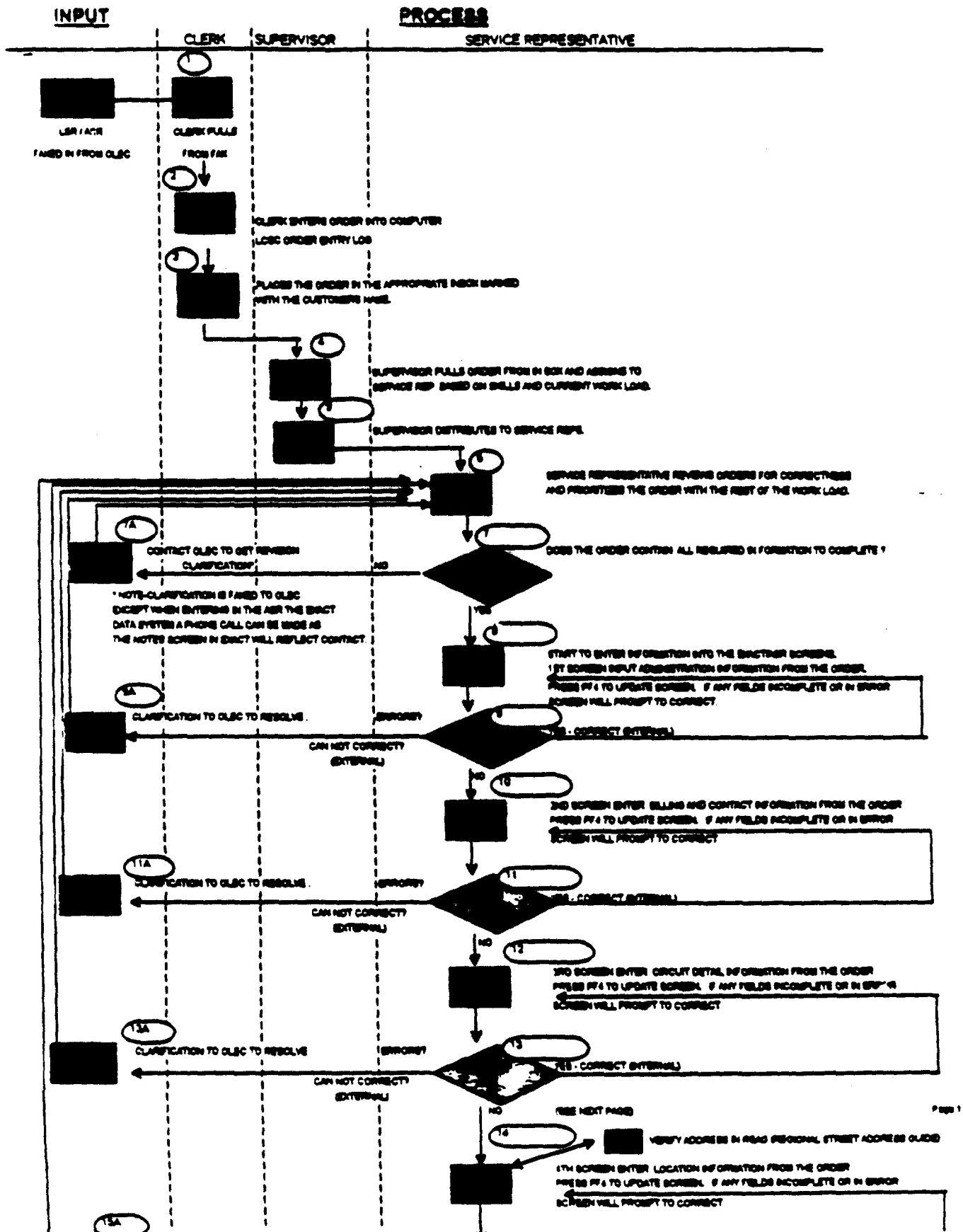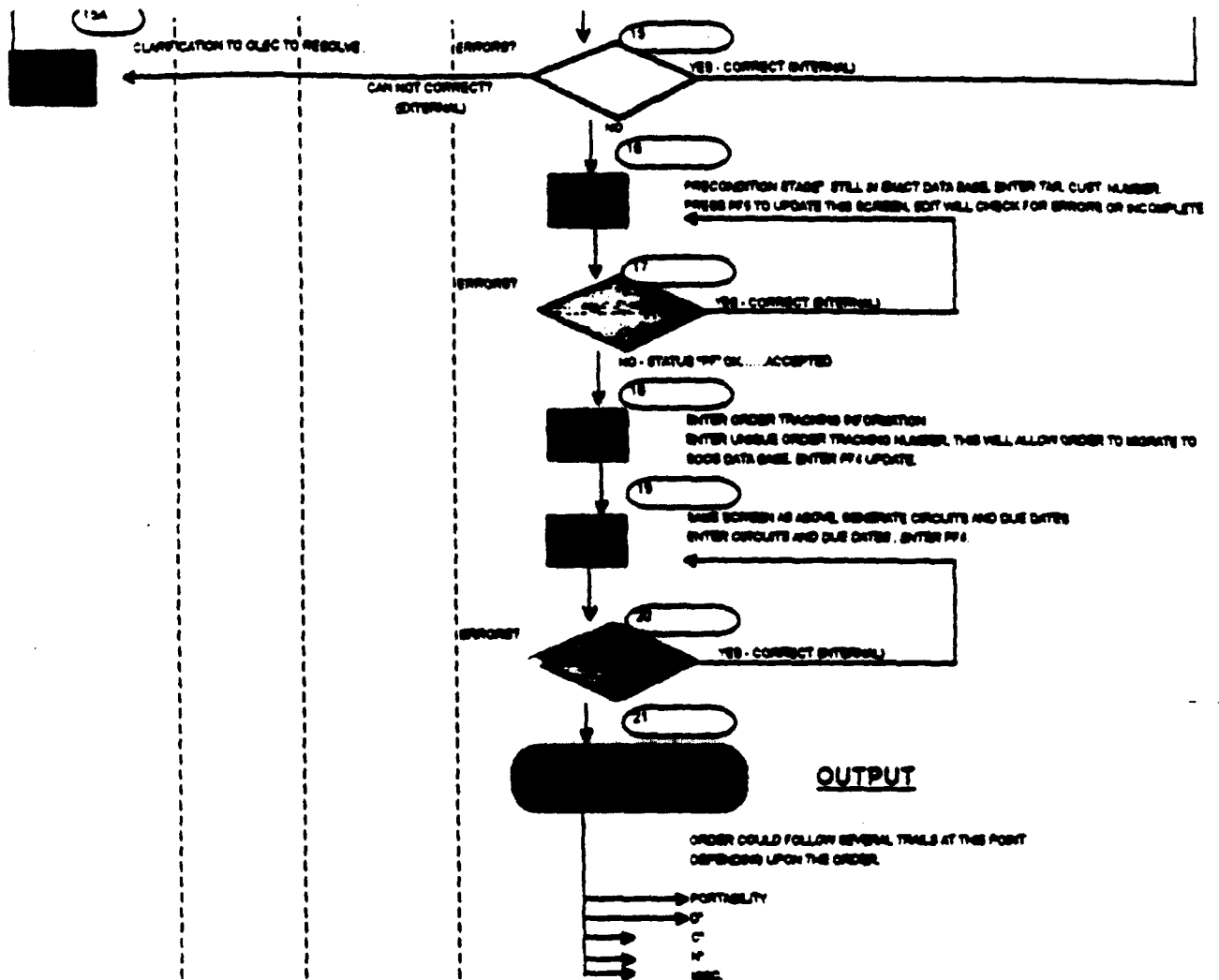l order processing flow without constant follow up. This is a key point, since we saw very little training of employees by the supervisors during our studies.

- We observed different methods being used by multiple employees to perform the same task. This resulted in significant variances in both quality and productivity. This frequently results in errors and rework as vital steps of the process are missed and must be corrected after the fact. This is impacting your customer service and unnecessarily inflating your order processing time.

- Ineffective employee cross training restricts productivity and reduces your ability to meet volume demands. 17% of the people are not qualified to perform the functions. This is having a negative impact on both productivity and quality.

- 38% of the people, in the supervisors' opinion, are qualified to perform the functions of the department successfully.

- Only 10% of the people, in the supervisors opinion, are qualified to perform the functions of the department and possess the ability to train fellow workers.

- Instead of training and developing your people to do the work right the first time, you rely on rework to find errors. These activities do not add value and unnecessarily inflate your operating cost and order lead times.

UNBUNDLED LOOPS

INPUT **PROCESS**

CLERK SUPERVISOR SERVICE REPRESENTATIVE

LSR / ASR CLERK PULLS

FAXED IN FROM CLEC FROM FAX

CLERK ENTERS ORDER INTO COMPUTER
LCSC ORDER ENTRY LOG

PLACES THE ORDER IN THE APPROPRIATE INBOX MARKED
WITH THE CUSTOMERS NAME.

SUPERVISOR PULLS ORDER FROM IN BOX AND ASSIGNS TO
SERVICE REP. BASED ON SKILLS AND CURRENT WORK LOAD.

SUPERVISOR DISTRIBUTES TO SERVICE REPS.

SERVICE REPRESENTATIVE REVIEWS ORDERS FOR CORRECTNESS
AND PRIORITIZES THE ORDER WITH THE REST OF THE WORK LOAD.

CONTACT CLEC TO GET REVISION
CLARIFICATION? NO DOES THE ORDER CONTAIN ALL REQUIRED INFORMATION TO COMPLETE ?

* NOTE-CLARIFICATION IS FAXED TO CLEC
EXCEPT WHEN ENTERED IN THE ASR THIS EXACT
DATA SYSTEM A PHONE CALL CAN BE MADE AS
THE NOTES SCREEN IN EXACT WILL REFLECT CONTACT YES

START TO ENTER INFORMATION INTO THE EXACT/ASR SCREENS.
1ST SCREEN INPUT ADMINISTRATION INFORMATION FROM THE ORDER.
PRESS PF4 TO UPDATE SCREEN. IF ANY FIELDS INCOMPLETE OR IN ERROR
SCREEN WILL PROMPT TO CORRECT.

CLARIFICATION TO CLEC TO RESOLVE. (ERROR?) (YES - CORRECT INTERNAL)

CAN NOT CORRECT?
(EXTERNAL)

2ND SCREEN ENTER BILLING AND CONTACT INFORMATION FROM THE ORDER
PRESS PF4 TO UPDATE SCREEN. IF ANY FIELDS INCOMPLETE OR IN ERROR
SCREEN WILL PROMPT TO CORRECT

CLARIFICATION TO CLEC TO RESOLVE. (ERROR?) (YES - CORRECT INTERNAL)

CAN NOT CORRECT?
(EXTERNAL)

3RD SCREEN ENTER CIRCUIT DETAIL INFORMATION FROM THE ORDER
PRESS PF4 TO UPDATE SCREEN. IF ANY FIELDS INCOMPLETE OR IN ERROR
SCREEN WILL PROMPT TO CORRECT

CLARIFICATION TO CLEC TO RESOLVE (ERROR?) (YES - CORRECT INTERNAL)

CAN NOT CORRECT?
(EXTERNAL)

SEE NEXT PAGE Page 1

VERIFY ADDRESS IN RSAG REGIONAL STREET ADDRESS GUIDE

4TH SCREEN ENTER LOCATION INFORMATION FROM THE ORDER
PRESS PF4 TO UPDATE SCREEN. IF ANY FIELDS INCOMPLETE OR IN ERROR
SCREEN WILL PROMPT TO CORRECT

OUTPUT

COL	DESC.	STEPS	%
	Rework	5	18%
	Eval. Step	7	25%
	Work Step	16	57%
	TOTAL	28	100%

6   Our analyses of your work flow processes for both resale and unbundled orders indicates that your current level of process documentation is insufficient to assure process compliance and integrity. You lack the ability to use process documentation as a training aid that can be used to upgrade the skill sets of you representatives. There is a lack of clearly defined process requirements. As you transist from the current manual process through semi automated to ultimately an automated work process, there will always be the need to detail and validate the steps to insure quality and service. The true work content of each step or activity must constantly be updated to realize a continuous improvement culture within the LCSC process.

-    Processes are not being used to assess the skills proficiency of you service representatives. Without the detail it is impossible to objectively identify training needs and if needs are not identified, they cannot be addressed to constantly improve the skills of your service representatives.

-    Activity based standards are not being used to develop your force sizing models. Since the work content varies by order type, this base data must be maintained and upgraded to insure that as your product mix changes, you have the ability to properly determine the manpower requirements.

-    Detail process flows do not exist and cannot be incorporated into a continuous employee training process. As a result, you are not keeping up with the latest upgrades to the order processing flow and the frequency of errors tends to increase. This has a negative effect upon both internal and external customer service.
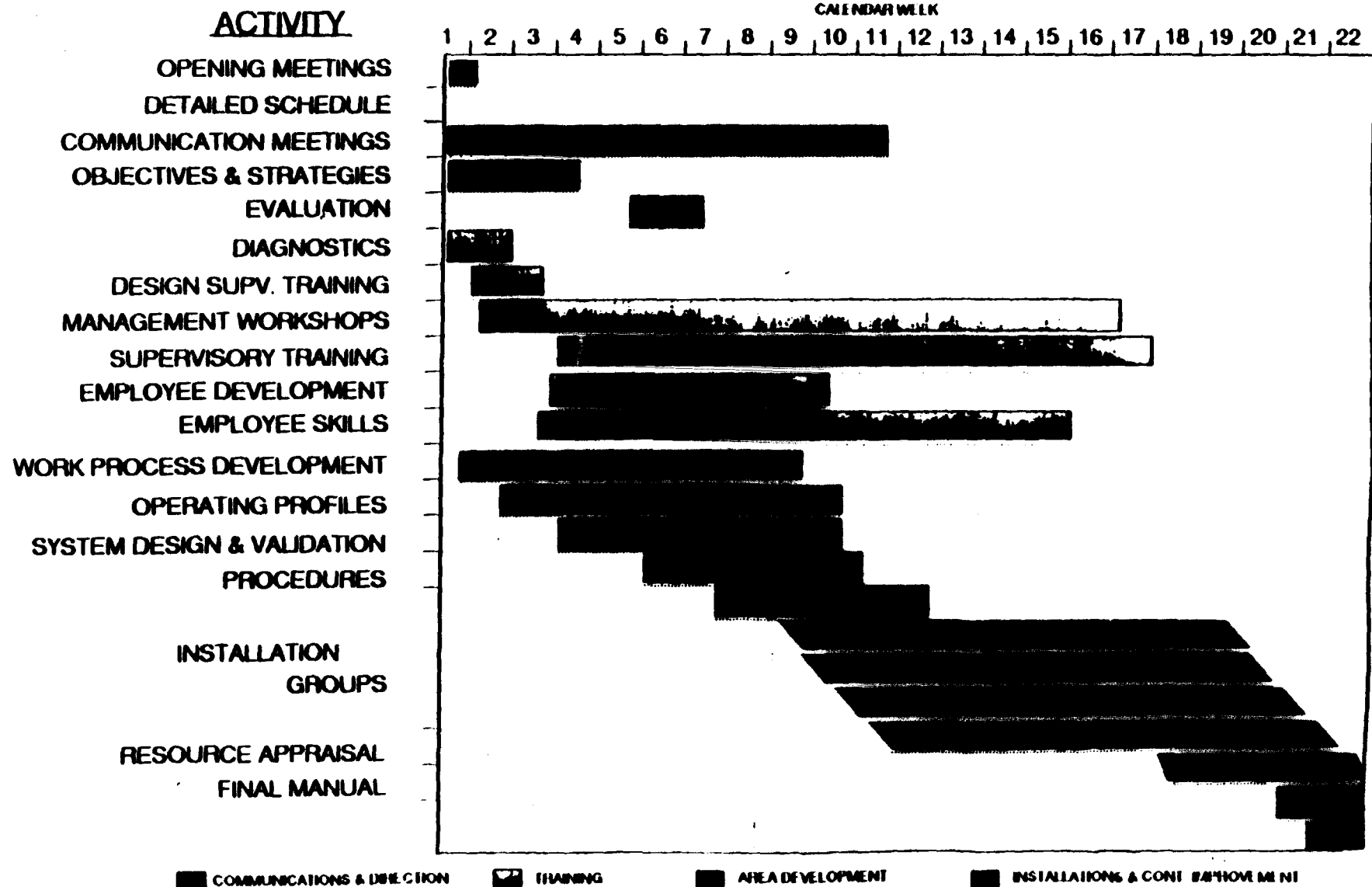
- Failure to have the process detailed step by step has limited your ability to quantify and qualify the procedural barriers that affect productivity and quality This diminishes the ability of the support operation to be able to enhance and react to the most significant barriers. As a result, the support functions are left to design improvements to the needs as they view them, not as the people responsible to deliver your service know the needs to be.

- As new services are introduced, new processes will have to be developed and detailed. The challenge is not to document your current processes. The challenge is to have the knowledge and ability to repeat the detailing process to insure that the LCSC always has effective processes that are properly balanced and maintained.

BELLSOUTH - LCSC
ATLANTA - BIRMINGHAM
PHASE I PRELIMINARY KEY EVENT SCHEDULE

CALENDAR WEEK

ACTIVITY	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22

OPENING MEETINGS

DETAILED SCHEDULE

COMMUNICATION MEETINGS

OBJECTIVES & STRATEGIES

EVALUATION

DIAGNOSTICS

DESIGN SUPV. TRAINING

MANAGEMENT WORKSHOPS

SUPERVISORY TRAINING

EMPLOYEE DEVELOPMENT

EMPLOYEE SKILLS

WORK PROCESS DEVELOPMENT

OPERATING PROFILES

SYSTEM DESIGN & VALIDATION

PROCEDURES

INSTALLATION

GROUPS

RESOURCE APPRAISAL

FINAL MANUAL

002803

COMMUNICATIONS & DIRECTION   TRAINING   AREA DEVELOPMENT   INSTALLATIONS & CONT. IMPROVEMENT

Quick Results Schedule

Dates & Weeks	3/21/97	3/28/97	4/4/97	4/11/97	4/18/97	4/25/97	5/2/97	5/9/97	5/16/97	5/23/97
Key Event	1	2	3	4	5	6	7	8	9	10

Direction

Define Communication Strategy

Complete Force Field Analysis
Align Objectives from Support & Operating Organizations

Define Goals and Time Tables

List & Confirm False Goals

List Current Initiatives

Define Barriers

Set-Back Logic and Cycles

Prepare an Unified Project Schedule

Communicate Approach and Responsibilities

Organizational Development

Review Opportunities with Training and Operating Organizations

Define Preliminary Supervisory Behavior Model

Complete Management Development Exercise

Select Co-Trainers

Define Training Groups

Complete Employee Skill Flex Charts

Develop Employee Survey
Analyze Results and Complement
Communication Efforts

Area Development

Prioritize Activities : Use 80/20 Rule

Detail Steps for the Main Flows

Validate Main Flows and Respective Volumes

Develop Corrective Strategies

Test the Flows for External Customer Effect

Train Supervisor to Complete Observations
Relate Work To Time and Supervisory Involvement

Layout Work Areas to Foster Participation in Coaching and Learning

Operating System

Detail Review of Current Forecast

Develop Work Input Monitoring

Upgrade Forecasting Techniques

Develop Vol Mix Model

Install Forecast Feedback Loop

Develop Preliminary Force Sizing Model

002804

WHAT WE PROPOSE

OVERVIEW

We propose a 22 week concerted effort to upgrade the management operating systems, detail/update/test and measure work procedures/processes. We will also improve the effectiveness of the skills development process and develop a performance oriented supervisory culture at the BellSouth LCSC operations in the Atlanta and Birmingham locations. Working closely with your management group, we will change the image of supervision from a task work/passive one to a supportive/proactive one. We will design and install management systems to give your supervisors and managers the information they need to effectively control all of the functions within their areas. We will train your supervisors and managers "on the floor", so they truly understand how to apply and use the systems and management concepts in their operations.

SPECIFICS

1. Together, we will conduct a series of opening meetings with support and operating departments during the first week, to set the stage for the process that is starting. We want all levels of personnel to understand that this is a program requiring their active participation, which will be a very positive experience.

2. Together, we will prepare a detailed weekly schedule during the first 3 weeks, to provide a plan for accomplishing all of these tasks in the allocated time. This will also enable management to follow along with our schedule on a weekly basis.

3. We will develop a method to assess the status of deliverables to measure the attainment of our proposals on a weekly basis. This method will be finalized by the 7th week. By the 10th week we will establish a reference level of historical performance indices, setting future targets, and tracking attainment of these targets. The on-going tracking will be turned over to the operating and support organizations.

4   We will complete the diagnostic assessment during the first 2 weeks of the process. We will administer our Supervisory Opinion Questionnaire (SOQ) to the remaining supervisors and managers not included in the analysis assessment. This will provide us with a profile of the overall groups' strengths and weaknesses, so that training can be focused specifically on the needs of your people. The profiles of strengths and weaknesses for each individual will also help us to follow up and maximize their personal development.

5.   Together, we will generate a supervisory behavior model. We will design the supervisory workshops based on the weaknesses we observed, and reconfirmed by the diagnostic questionnaire administered to your supervisors and managers. This program will be designed by the 4th week.

6.   We will initiate a process in the 1st week to communicate specific LCSC's findings, proposals, areas of focus, and priorities to all departments. This will ensure that each group understands their part in achieving overall objectives, the strategies to be utilized in achieving specific deliverables.

7.   We will develop operating profiles in the first 9 weeks of the change process. This is the process of identifying all of the activities, volumes, standards, associated skills levels, quality levels, service levels and document current systems needs.

8   Data development is the process where we observe activities, and teach your people to make observations to set benchmarks. We will collect information with your supervisors and managers to establish realistic planning guidelines that they can use with confidence for planning and follow up purposes. The data gathered will also be used to complete force sizing models to establish short range production planning requirements.

9   We will upgrade the management operating systems with the supervisors and managers to provide all of the currently missing elements.

- Forecasting - mix, evaluation, cycles
- Accurate planning guidelines
- Staffing requirements determination
- Effective daily plans
- Work assignment and follow-up
- Departmental and individual productivity reporting
- Performance to plan and feedback - quality, service, cost
- Lost time identification and documentation

10.   A Quick Results Program will occur during the first 10 weeks of the project. These are elements of the system which can be installed prior to the long term cultural change phase of the project. These action steps are outlined in our Quick Results Schedule.

- Align organization to focus on value added activities
- Area Layout
- Documentation of core flows
- Definition of skill deficiencies
- Correct gaps in training and OTF development
- Design Hopper - sample order generator to gauge quality and capacity utilization

11.   We will review your current work mix and make recommendations to balance the resources to clarify responsibilities, and more effectively control the work processes.

12.   Preliminary procedures will be written to provide answers to system questions that may arise during the change process.

- Purpose - Why each system element exists?
- Responsibility - Who prepares, reviews and takes action from each element?
- Frequency - How often is each system element prepared?
- Distribution - Where do copies of each element go?
- Preparation - Where does data come from and how is it used?

13 Management workshops will start in the 3rd week so that managers are prepared to support and reinforce the more in depth workshops that the supervisors will be going through, and be prepared to co-facilitate those sessions in later workshops.

14. Supervisory workshops will start in the 4th week of the change process. These workshops will cover both the technical aspects of supervision, and the tactical/interpersonal side of dealing with their people. The program will involve workshop sessions, to establish the concepts of effective supervision, as well as one on one follow-up with the supervisors to help them apply the concepts in real life situations. We will coach them on appropriate behaviors required to meet expectations. These workshops support the system upgrades and assist the supervisors in identification of barriers to productivity, quality and service. These workshops will also provide the basic skills necessary to effectively deal with the barriers identified.

15. We will, with your people, enhance the employee skills development process. We will review the selection process to ensure proper job requirements are met. We will upgrade training materials to include "as is" activities / steps within the work flows. We will incorporate on the floor supevisory follow up and coaching to facilitate the mastering of work activities.

16. Employee skills training programs may be jointly enhanced for key activities that associates perform. Working with technical advisers from your organization, we will determine the best methods for various key activities, and then design programs to teach these methods to future trainees. We will also assess the skills flexibility for current and expected requirements. We will schedule training where needed and focus coaching to specific steps within the work processes. This will include integrating your existing training materials into an ongoing associate training program. Together with management, we will determine the requirement of such programs by the 6th week.

17. Dry / Wet running is the process where supervisors and managers can test and practice using the various controls to demonstrate the capacity and gain confidence in the reliability of the expectations that have been set. Dr· / Wet running includes testing proposals on operating system upgrades, skills development enhancements, and sample order "hopper" generator system.

18   Weekly progress review meetings will be held between DB&A and the management of LCSC to review the project schedule, measure the progress accomplished to date, identify barriers to future installations, and prepare required action plans to prevent technical and tactical barriers impeding progress.

19   The change process involves all employees associated with LCSC, using the systems and workshops to identify problems causing lost time and taking appropriate corrective action. This is the point where the final productivity commitments are reached. Our staff will work one-on-one with management to ensure that they truly understand their new roles and achieve their performance improvement goals.

20.   A Resource Appraisal to identify and respond to additional opportunities for improvement in the next area of the order cycle is an additional service that is offered. The extent and cost for this service will be determined based on the size and scope. The timing should be based on the progress made by and the ability of your people to maintain the installations on their own.

21.   A final procedures manual will be turned over to you in the 20th week, providing documentation of all systems and procedures that have been designed and installed. This manual provides assistance for training new supervisors and maintaining the installations in the future. This manual will be given to your people on diskette <MSWord> so they can maintain and upgrade your management operating system as your business climate dictates.

EXECUTIVE UPDATE
FINAL REPORT PHASE I
QUICK INSTALLATIONS

Date   April 23, 1997

To   Krista Tillman, AVP
     BellSouth Interconnection Services

From   James LaRue, Chief of Operations
       DeWolff, Boberg and Associates

Project # 9706 - Bell 6

Project LCSC (Local Carrier Service Center)

- This project involves the LCSC's located in Birmingham, Al. and Atlanta, Ga., and the service support groups located at the downtown Atlanta Building.

- The project was authorized for a 22 week period - to start March 17, 1997 and complete August 15, 1997. We are working in the seventh week and this is the final report. For more detail, look at project phases in this write up and in the "Summary of Findings and Approach."

- The purpose of the project is to accelerate Operational Readiness. Four key deliverables of this project include:
  - Detail process flows that are validated, tested and measured.
  - Improve Training process that delivers qualified candidates
  - Define key Performance indicators.
  - Enhance and install management operating system to effectively manage the Key Performance Indicators.

- To summarize, the major benefits of this effort are:
  - Improved operational efficiency (reduce head count requirement by 51)
  - Enhanced service quality to CLECs
  - Assures Operational Readiness to meet end of year CLEC forecasts
  - Significant ongoing expense reduction

To date, the program is ahead of schedule. Phase I activities (7 weeks) included installation of some "quick installations" initiatives that began March 17, have been completed and will formally close out May 9

Detail, as a reference point the center operated at 0 50 LSR's per hour (3 75 per day) at the beginning of the project BellSouth has set a target of 3 73 LSR's per hour (28 LSR's per day) Theoretical capacity based upon manager's estimates, calculates to 4 27 LSR's per hour (32 per day) Theoretical capacity is based on the current mix and level of automation The fundamental barrier to exceed the target is that the input volume is not in BellSouth's control In addition, to test the capability should not be done with live orders Therefore, what is needed is a means to control the work input to test performance (quality, service, and productivity) The hopper concept with a backlog of test orders is being developed/installed to enable to test current capability ensuring operational readiness

PROJECT PHASES – See "Summary of Findings and Approach"

Quick Installations - Weeks 1 through 7 – Phase I of the project will focus on gaining control of the work and establishing the correct management behaviors / disciplines

Main Installation - Weeks 8 through 15 – Phase II of the project will focus on testing the capability of the group, and increase the requirements to approximate theoretical capacity Installation of systems for controlling performance Schedule remedial training

Adjust and Follow Up - Weeks 16 through 22 - Phase III of the project will set new targets (raising the bar), incorporating new products, perpetuating performance and making adjustments as required.

PROJECT UPDATE

Project is on last week of Phase I Currently, 12 items are in progress and 15 items are completed One item behind schedule. Have plan to recover in two weeks We project that by the end of Phase I all items but project management will be done Five items are ahead of schedule in installation phase two In summary, there are three organizations that DB&A is concentrating

1. Operations - Working with Bill Bolt and the LCSC management to gain control of the work by the supervision spending more time with the employees and getting a handle on fundamental volumes, production numbers, backlogs, current employee skills, and department capability

2. Support - Working with Eddie English and the support organizations to get them closer to the detail and focus on those activities that affect the performance on the floor concentrating in organization, skills, and the hand-off between support and operations

3. Training - Working with Barbara Ayers to upgrade the delivery of the training material, testing that material, update the content of the presentation, and dramatically shorten the learning cycle for UNE and more complex work

I. Operations – Detail Write Up

Control of Work - Steps have been taken to gain control of the work Two of the most significant steps are

1. Development of <u>process flows</u> and procedures to identify the work
2. Installation of a <u>backlog control</u> to manage work

All process flows have been detailed Procedures are being tested

Backlog controls were designed and installed with the front line supervision to focus on fundamentals of running the business. i e backlog levels, distribution, rate of input and rate of processing As a result, work has been redistributed for balance of the workload and for improved cycle time The front line managers have begun to recognize differences in individual performance (quality, service, and rate of production), by following up every two hours with every employee The data collected on the backlog control is summarized on a managers report each day and reviewed with the director Demonstrated a significant improvement in Birmingham (LSR's/Hr). Atlanta will follow as volume picks up For further details, see attached findings and approach chart.

Management Behavior / Disciplines - Roles and Responsibilities were developed for every level. They were developed with Bill Bolt and his staff. Identified and listed current supervisory activities that were interfering with performance enhancement. In summary, a manager should spend 6.5 hours per day, (70%+ of his / her day) should be spent on the floor with the service representatives. During the analysis 12% of the supervisor's time was spent with their people. We estimate at this time that the supervisors are spending approximately 30% to 35% with their people. The rest of the day the time is spent on other activities such as administrative or activities that the support organization should be handling. To help with the supervisory contact with the employees, new floor plans have been developed, where the service representatives in a "U shaped" layout with the supervisor in the middle Tiffany Ray has received the layout and is preparing for implementation

II. Support – Detailed Write Up:

Force Sizing / Forecast Feedback Loop – Jim Freeman is responsible of developing a force sizing model for the LCSC The model is an activity based model that currently uses supervisory estimates to determine the hours required to complete the work and the total hours required on roll to support those hours The variables associated with the model are volumes, mechanization fallout, reasonable expectations, and current productivity levels The ability to model different situations has been built in.

For the short term, the focus is placed on developing the feedback loop, rather than completing the development of the forecast Volume to forecast is about 10-20%, but resources applied are on target to forecast. Thus, the critical information needed is the capability of the organization as it is currently crewed The actions required are to keep the capability ahead of the actual volumes coming into the centers Such capability should be tested with the hopper concept

Project Schedule – The goals for the support organization The goal is to insure that BellSouth is prepared for Local Interconnections with the required processes, systems, center organization, and skilled personnel The criteria for success has also been defined for his four support managers resale, facility based, provisioning maintenance, and training The strategy for catching up is to get closer to the detail by getting on the floor A review meeting to review the status of the project schedule has been implemented. Need to compliment the detail available in the plan

Capability Issues - LCSC has hired resources to forecast the volume that is forecasted to enter the centers The problem is that these resources are largely untested Since volume has not materialized, one aspect of the project is to address the volume issue, but not to wait to be tested with live orders. To do this, we must introduce artificial work volume into the centers, to test the theoretical capacity Currently, Martha Jackson has assigned a driver to this project. A method to implement this project has been designed. Action item has gained momentum and we are on schedule.

3. Training – Detailed Write Up:

Selection & Screening – The fundamental skills required to already have for LCSC candidates include: visual perception of names/numbers/acronyms, typing and reading. Current screening identifies that service representatives should take the GQT (General Qualifications Test). The BST Job Title/Test Matrix shows that the CS-TAP is required to be taken by all candidates and keyboard tests (DEST or CTT) are also included. The situation that needs to be corrected is that we have extreme variance in the skill level of the candidates while in training. The training was not designed to overcome those shortcomings. The cause is that some of these tests have been optional, and there is a plan is needed to remedy this situation

Interviews will be conducted to select candidates for UNE and complex work at beginning of training cycle

Course Material and Classes

We participated in the entire single line residential / business training During that course we identified improvement opportunities that should be made in the delivery, course content, testing, modular training, and sequencing, the actual training content The improvements identified are as follows

The current residential/business single line training took 4 weeks and 2 days to complete We have targeted to reduce this training cycle to 3 weeks

Learning cycle will be accelerated to upgrade in content and sequencing.